IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

ITR No.314 of 1995
Date of decision:8.11.2006

The Commissioner of Income Tax, Patiala

....Petitioner

versus

Raj Steel Rolling Mills, Mandi Gobindgarh

....Respondent

CORAM: HON'BLE MR. JUSTICE ADARSH KUMAR GOEL
HON'BLE MR. JUSTICE RAJESH BINDAL

Present: Dr. NL Sharda, Advocate, for the revenue.
Mr. Akshay Bhan, Advocate, for the respondent-assessee.

JUDGMENT:

Following question of law has been referred for the opinion of this Court by the Income Tax Appellate Tribunal, Chandigarh Bench, Chandigarh (for short, 'the Tribunal) arising out of its order dated 26.5.1993 in ITA No.1241/Chandi/93, for the assessment year 1987-88:-

> "Whether on the facts and in the circumstances of the case, the ITAT was right in law in holding that the amount spent on the purchase of components and assemblying of machinery by the assessee constitutes the purchase price of the plant, when Section 32-AB intends the use of the investment only for purchase of new plant and machinery?"

The question referred is covered by judgment of this Court dated 20.9.2006 in ITR No.118 of 1996 (**The Commissioner of Income Tax, Patiala v. M/s. Hindustan Wire Products Limited, Patiala**).

Accordingly, the question is answered against the revenue and in favour of the assessee.

Reference is disposed of accordingly.

(Adarsh Kumar Goel)
Judge

November 8, 2006
'gs'

(Rajesh Bindal)
Judge